

Euro wrap-up

Overview

- Bunds rallied as the flash estimates of euro area inflation in September surprised on the downside while the latest German retail sales and French consumer spending data were also soft.
- Gilts made somewhat smaller gains as the level of UK GDP was revised up again and UK mortgage approvals fell to a six-month low.
- The coming week will bring updates on euro area unemployment and retail sales, Germany factory orders and goods trade, and UK business inflation expectations.

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Daily bond market movements

| Bond | Yield | Change |
|---------------|-------|--------|
| BKO 3.1 09/25 | 3.200 | -0.076 |
| OBL 2.4 10/28 | 2.781 | -0.103 |
| DBR 2.6 08/33 | 2.849 | -0.078 |
| UKT 3½ 10/25 | 4.890 | -0.013 |
| UKT 4½ 06/28 | 4.515 | -0.061 |
| UKT 3¼ 01/33 | 4.457 | -0.024 |

*Change from close as at 4:30pm BST.
Source: Bloomberg

Euro area

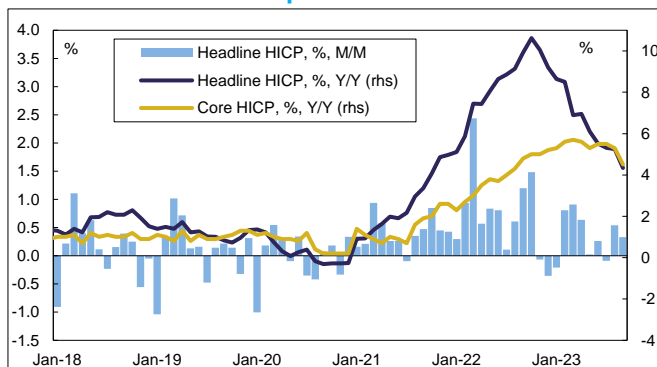
Consumer price inflation slows more than expected with broad-based decline in pressure

Consumer price inflation took a big step down in September to reinforce expectations that the ECB has now reached the terminal rates for the cycle. In particular, euro area headline HICP inflation dropped 0.9ppt – the most since March and further than the consensus forecast – to 4.3%Y/Y, the lowest since October 2021 and a hefty 6.3ppts below last October's peak. The decline was due principally to Germany, where the equivalent rate declined 2.1ppt to 4.3%Y/Y, and the Netherlands, where it fell an even steeper 3.7ppts to -0.3%Y/Y. Inflation also fell sharply in September in Belgium and Austria. But it rose in Italy and Spain and was little changed in France. Within the detail, as in [Germany](#), the softening of inflation was broad-based. Despite increased prices of auto fuel, base effects associated with the sharp increase in household electricity and gas bills a year earlier meant that energy inflation slowed 1.4ppt to -4.7%Y/Y. Likewise, with the respective prices up minimally for a third successive month in marked contrast to developments a year earlier, inflation of food, alcohol and tobacco slowed 0.9ppt to a 16-month low of 8.8%Y/Y. Most encouraging, however, were the core components. Non-energy industrial goods prices rose in line with the average for the month in the decade ahead of the pandemic. So, the respective inflation rate slowed 0.5ppt to 4.2%Y/Y, also a 16-month low reflecting the better balance of supply and demand as well as the fading pass-through of the post-Russian invasion shock to energy and commodity prices. Moreover, services prices fell 0.9%M/M, the most in three years and a steeper decline than average for the month of September. So, as last year's super-discounted German public transport also fell out of the calculation, services inflation fell 0.8ppt to 4.7%Y/Y, the softest since January.

Core inflation to fall significantly by year-end as momentum continues to fade

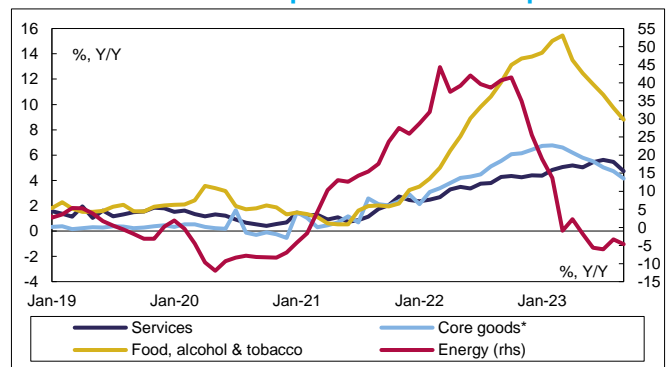
With the services and non-energy industrialised goods components both significantly softer, core inflation (excluding energy and all food) slowed a steeper-than-expected 0.8ppt to a 13-month low of 4.5%Y/Y. At the country level, that was again principally driven by Germany, for which the equivalent rate dropped 1.5ppts to 4.8%Y/Y and the Netherlands, where it fell 1.9ppts to 5.1%Y/Y. However, core inflation also fell significantly in countries as diverse as France, Belgium, Greece and Croatia. Despite the big step down in headline euro area inflation in September, the Q3 average rate of 5.0%Y/Y was in line with the ECB's forecast published this month. However, average core inflation of 5.1%Y/Y in Q3 was a touch below the ECB's projection. On a seasonally adjusted basis, core goods inflation momentum (3.1%3M/3M annualised) was a touch up from Q2 but still down 5ppts from its peak a year earlier. And momentum in services (3.9%3M/3M annualised) fell a significant 1.4ppts on the same basis to the lowest rate in more than a year and almost 3ppts below the peak last autumn. So, with prices increasing more closely in line with seasonal norms, we expect core inflation to fall below 4.0%Y/Y by year-end. Admittedly, energy price base effects will become less favourable from November on. However, the food component –

Euro area: Consumer price inflation



Source: Refinitiv Datastream and Daiwa Capital Markets Europe Ltd.

Euro area: Consumer price inflation components



*Non-energy industrial goods. Source: Refinitiv Datastream and Daiwa Capital Markets Europe Ltd.

which accounts for roughly one fifth of the inflation basket, almost double the share of energy – will continue to fall steadily. So, we see the risks to the ECB's HICP forecast of 3.3%Y/Y in Q4 as skewed to the downside. And given the weakening of the economic growth outlook, deterioration in economic sentiment and tighter financial conditions, the ECB will not tighten monetary policy further. Indeed, we suspect that the case for easing could be raised on the Governing Council as soon as the December policy meeting. With the hawks still in the majority for the time being, however, we still do not expect the first rate cut to be agreed until Q324.

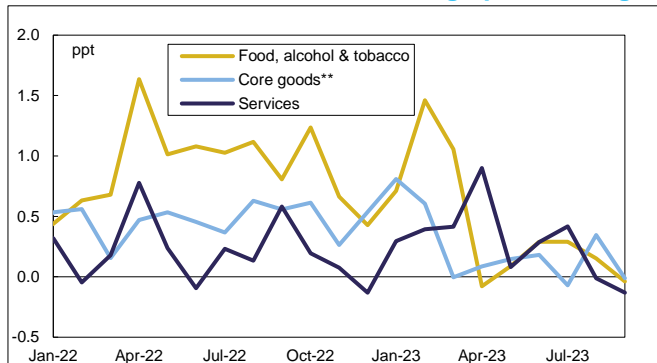
German retail sales decline, while unemployment claims continue to rise

While real disposable incomes are benefiting from the moderation in inflation and higher wages, today's spending figures from Germany and France suggested that consumer demand remained subdued over the summer. In particular, German retail sales volumes fell a much steeper-than-expected 1.2%M/M in August, the most since December, to leave them down 1.9%Y/Y. So, while the initially estimated decline in July (-0.8%M/M) was revised away, sales were still trending in the first two months of Q3 some 0.8% below the Q2 average. Despite a decline in August, food sales were trending more than 1% above the Q2 average as consumers took advantage of lower food prices. But spending on non-essential items remained subdued, with sales of clothing, IT equipment and household furniture trending in the first two months of Q3 well below the Q2 average. Some of this weakness might reflect the ongoing substitution of spending on goods for services. But according to the most recent figures, German hospitality sales fell sharply in July (-4.5%M/M). And with consumer confidence having deteriorated to a six-month low amid worsening expectations for the economic outlook and personal incomes, the latest GfK survey also suggested that households would rather save than spend. Increasing concerns about the near-term outlook arguably tally with the recent softening in the German labour market, with data published today reporting an eighth consecutive monthly increase in the claimant count in September, by 10k, to leave it 140k higher than a year ago and some 350k above the low in May 2022. And while the claimant count unemployment rate was steady at 5.7% for a fourth successive month, and employment rose again in August, a further decline in vacancies in September to the lowest level since July 2021 also suggests a further weakening in the balance between labour supply and demand.

French consumer spending on goods falls in August despite higher spending on autos

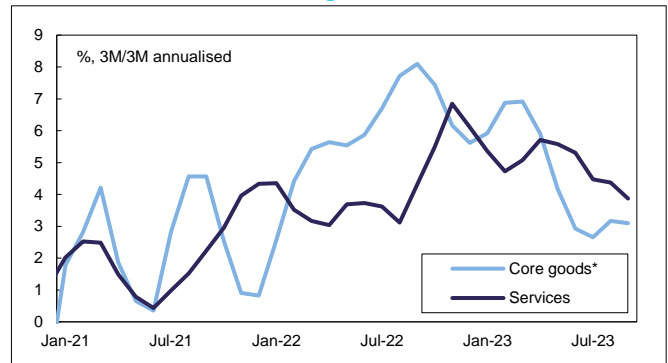
French household consumption of goods also fell in August, by 0.5%M/M. But this was smaller than the decline implied by the Bank of France retail survey (-1.2%M/M). Moreover, the drop in August follows three consecutive increases to leave spending trending so far in Q3 almost 1% above the Q2 average. The weakness in August was relatively broad-based, with declines in expenditure on food, energy, clothing, household appliances and furniture and IT equipment. In contrast, however, spending on transport equipment including new autos rose for a second successive month, by 2.5%M/M, to the

Euro area: Deviation from I-r average price change*



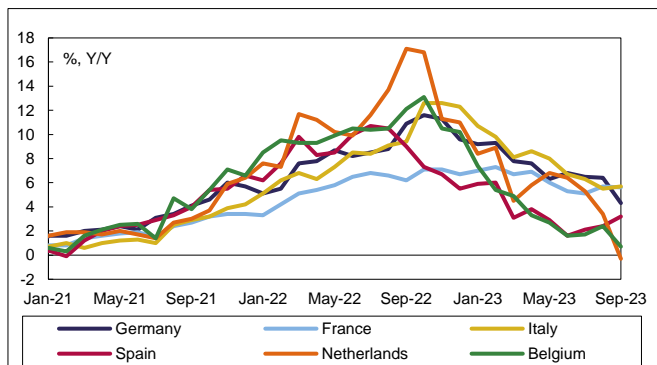
*Deviation from long-run average monthly price change. **Non-energy industrial goods. Source: Refinitiv Datastream and Daiwa Capital Markets Europe Ltd.

Euro area: Services and goods inflation momentum



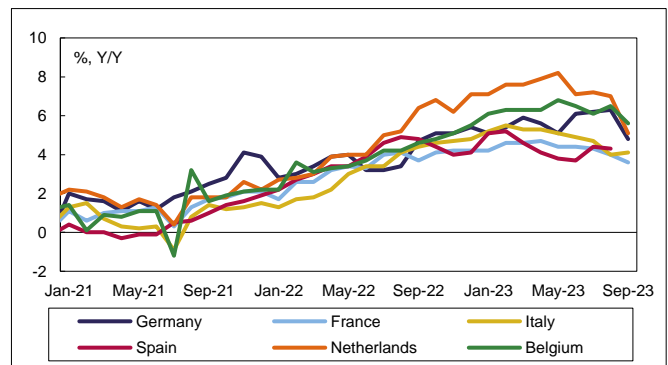
*Non-energy industrial goods. Source: Refinitiv Datastream and Daiwa Capital Markets Europe Ltd.

Euro area member states: Headline HICP inflation



Source: Refinitiv Datastream and Daiwa Capital Markets Europe Ltd.

Euro area member states: Core HICP inflation



Source: Refinitiv Datastream and Daiwa Capital Markets Europe Ltd.

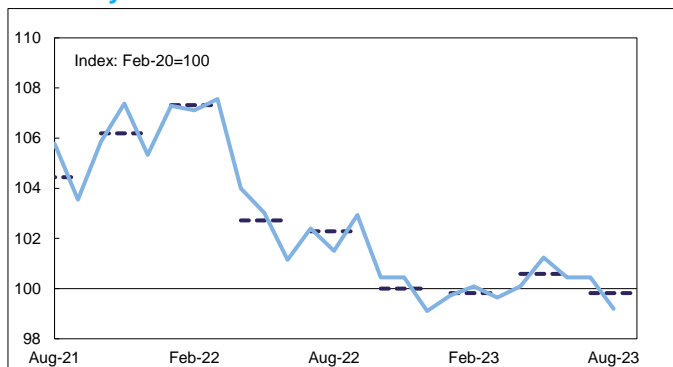
highest level since the start of 2021. And, with the exception of clothing, expenditure on other goods was trending higher over the first two months of Q3. Admittedly, the latest household survey suggested that sentiment deteriorated in September as savings intentions rose amid heightened concerns about the economic outlook and unemployment. And with purchase intentions still very low by historical standards, we expect consumer spending in France to remain relatively subdued in Q3, albeit still consistent with positive growth and certainly not as weak as in Germany.

The week ahead in the euro area

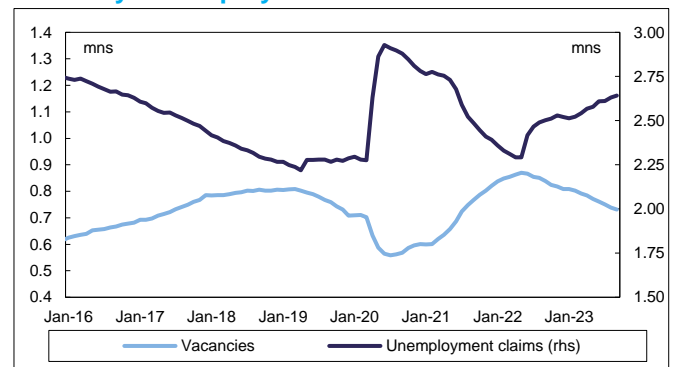
The coming week kicks off with the release on Monday of euro area labour market figures for August, which are likely to suggest ongoing resilience in the jobs market despite the marked slowdown in economic momentum. Nevertheless, given the decline in job vacancies and signals from various employment survey indicators, this release might well report a second successive monthly increase in the number of people in unemployment, to leave the jobless rate up slightly from July's record-low 6.4%. Despite the tight labour market and strong wage growth, the latest euro area retail sales figures (Wednesday) are likely to suggest lacklustre demand over the summer amid ongoing concerns about the economic outlook. Indeed, the final September PMI surveys – manufacturing (Monday) and services (Wednesday) – are likely to signal ongoing contraction at the end of Q3, albeit also suggesting that the bottom in the downturn may have now been reached. In particular, the flash composite PMI rose 0.4pt to 47.1 in September, reflecting a pickup in the services activity index (48.4) and stabilisation in the manufacturing output index (43.4). The euro area construction PMI (Thursday) will also continue to imply contraction in September, not least reflecting ongoing weakness in the housing sector. With the PMIs continuing to flag a disinflationary trend in the manufacturing sector, the euro area's producer price inflation data (Wednesday) are expected to report an accelerated pace of decline in August from the drop of -7.6%Y/Y in July.

At the country level, in addition to the PMI survey results, the coming week brings the release on Thursday of German goods trade figures, as well as French and Spanish industrial production data for August, which will be followed on Friday by German factory orders data. Beyond the data, the ECB will host an academic conference on monetary policy, where President Lagarde will give a welcome address on Wednesday and Chief Economist Lane will be chairing a policy panel discussion on Thursday.

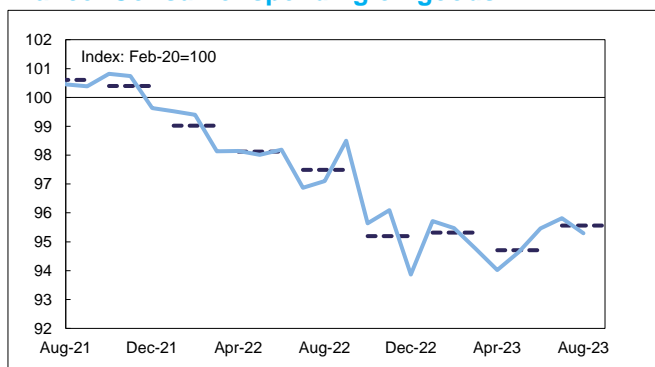
Germany: Retail sales*



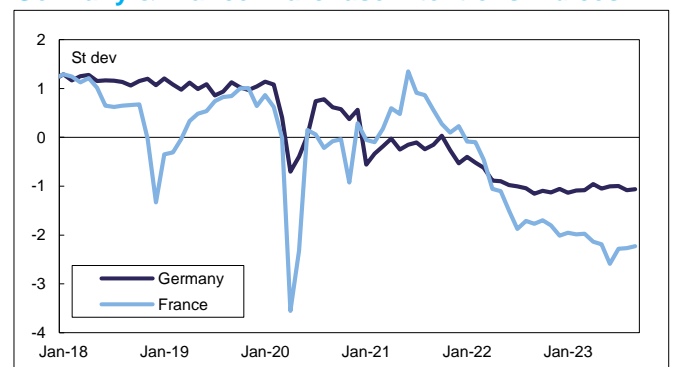
Germany: Unemployment & vacancies



France: Consumer spending on goods*



Germany & France: Purchase intentions indices



UK

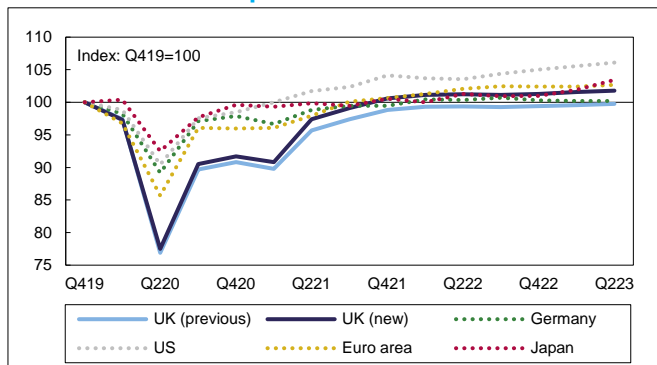
GDP revised up again to suggest a stronger performance than previously thought

The UK economy's performance of the past few years was not as dismal as previously thought. Having earlier this month revised up the profile of GDP in 2021, the ONS today published updated figures based on the same improved methodology for the level of economic output throughout 2022 and the first two quarters of this year. The result was a further, albeit more modest, upwards revision. On an annual basis, GDP is now estimated to have contracted 10.4% in 2020, 0.6ppt less than initially thought. And it is judged subsequently to have grown 8.7% in 2021 and 4.3% in 2022, respectively 1.1ppt and 0.2ppt more than previously estimated. Moreover, while the newly estimated quarterly profile of growth in 2022 was unrevised, growth in Q1 of this year was revised up by 0.2ppt to 0.3%Q/Q. And while growth in Q2 was unrevised, at 0.2%Q/Q, GDP is now estimated to be 1.8% above its pre-pandemic level in Q419, a marked improvement from the previous estimate that it was 0.2% below that threshold. Notwithstanding the possibility of similar methodology-driven upwards revisions elsewhere – and we note that growth in 2021 in Spain (+1.1ppt), Italy and the Netherlands (both 1.3ppts) has also been revised up by a similar margin – UK GDP is currently estimated to have performed significantly better than Germany (up just 0.2% from Q419) and marginally stronger than France (+1.7%). The government will also likely seek to exploit the higher level of GDP – and associated reduction in the public debt-to-GDP ratio – to justify some modest fiscal giveaways ahead of the next general election, likely to be held towards end-2024.

GDP growth in Q2 was driven by final domestic demand while net trade subtracted

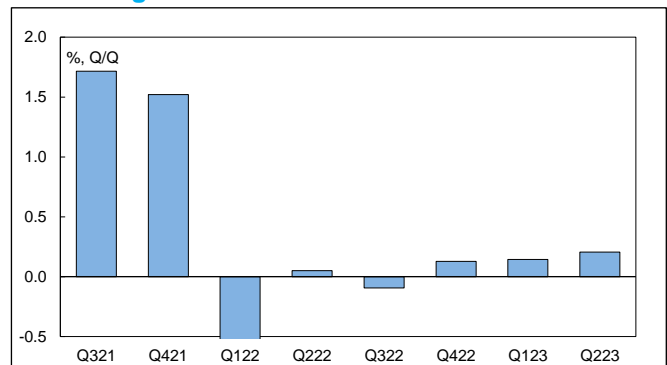
Most recently, GDP growth in Q2 was driven in part by private consumption, although the rise in this component was revised down by 0.2ppt to 0.5%Q/Q. Household spending was supported by a rise of 1.2%Q/Q in real disposable income thanks to a pickup in real wages and the uprating of welfare benefits in response to high inflation last year. Indeed, despite stronger spending, the household saving rate rose in Q2 as individuals increased repayments of mortgage debt and had slightly less recourse to consumer credit as the BoE maintained its aggressive monetary tightening. Government consumption was much stronger too, rising 2.5%Q/Q following two quarters of contraction, to make a bigger contribution to GDP growth (0.5ppt) than household consumption (0.3ppt). And in contrast to consumption, growth in business investment in Q2 was revised up 0.7ppt to 4.1%Q/Q, surprisingly firm in light of the higher cost of borrowing. Nevertheless, capex was driven by increased investment in aircraft, which was reflected in higher imports (2.2%Q/Q). In contrast, spending on ICT equipment and other machinery declined, likely in part due to the termination of the government's generous super-deduction tax incentives at the

UK: GDP level comparisons



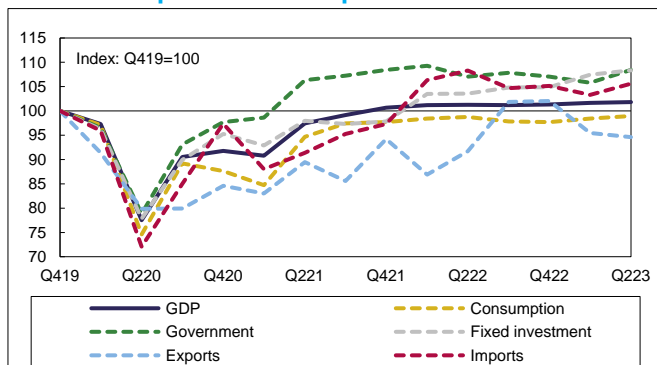
Source: ONS, Refinitiv Datastream and Daiwa Capital Markets Europe Ltd.

UK: GDP growth



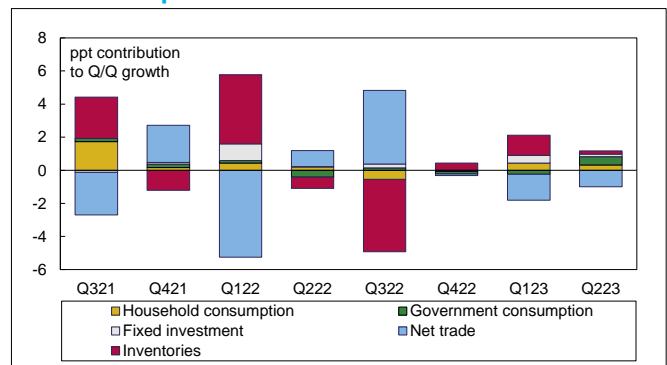
Source: Refinitiv Datastream and Daiwa Capital Markets Europe Ltd.

UK: GDP expenditure components



Source: Refinitiv Datastream and Daiwa Capital Markets Europe Ltd.

UK: GDP expenditure contributions



Source: Refinitiv Datastream and Daiwa Capital Markets Europe Ltd.

end of Q1. And exports fell for a second successive quarter (-0.9%Q/Q) due to weakness in services and non-monetary gold shipments. So, while final domestic demand was significantly firmer in Q2, net trade, inventories and adjustments for non-monetary gold – which together have significantly affected the profile of economic output over recent quarters – subtracted a marked 0.7ppt from GDP growth. Given also a deterioration in the income accounts, the UK's current account deficit widened by 1.4ppt to 3.7% of GDP, with the underlying deficit (excluding precious metals) widening by 1.0ppt to a five-quarter high of 4.2% of GDP.

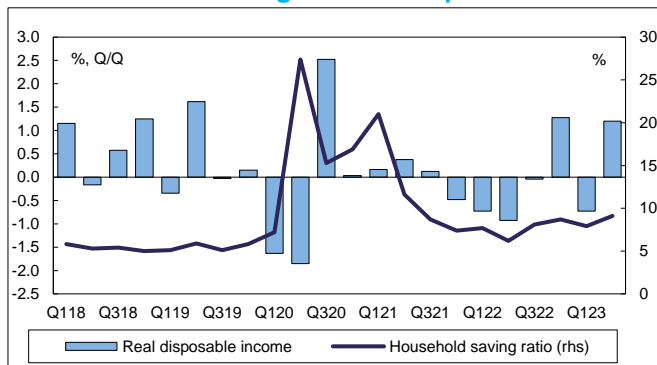
Consumer credit and mortgage lending remained historically subdued amid higher interest rates

The latest monetary figures illustrated the impact of the BoE's aggressive tightening cycle on bank lending and savings in the middle of Q3, suggesting that household and business spending likely remained relatively subdued over the summer. The net increase in consumer credit in August was stronger than expected, at £1.6bn, a touch above the average in the five years before the pandemic but broadly in line with the average in the year to-date. This in part reflected a pickup in other types of borrowing (£1bn), such as car dealership finance and personal loans, with individuals possibly wary of further rises in interest rates. Indeed, the effective interest rate on new personal loans rose a further 46bps in August to 9.07%, representing an increase of more than 210bps over the past year. Given the ongoing rise in borrowing costs, increasing economic uncertainties, slowing employment growth and declining house prices, mortgage lending also remained historically subdued over the summer. Admittedly, the net increase in secured lending of £1.2bn in August was the strongest for six months. But it remained well below the average in 2022 (£5.1bn) and in the five years before the pandemic (£3.6bn). Indeed, in the three months to August, net new mortgage lending totaled £1.5bn, well down on its level a year ago (£16bn) and the peak in March 2021 (£26bn). And while interest rates on new mortgage deals have started to ease from the summer peak, with mortgage approvals having fallen further in August – to 45.4k, the lowest since the first Covid lockdown and the start of 2011 before that – secured lending seems set to remain very weak over the near term. Meanwhile, households continued to switch their deposits from overnight accounts to higher-yielding time accounts, also suggesting that a sudden splurge in spending is unlikely. Finally, non-financial corporations made a net repayment of their bank debt in August for the third month out of the past four (-£930mn), to leave the outstanding stock of such loans down 2.3%Y/Y, the most since May 2021. While this largely reflected ongoing repayments from SMEs (-4.6%Y/Y), the stock of loans to large businesses was also down compared with a year earlier (-1.0%Y/Y) for the first time in almost two years.

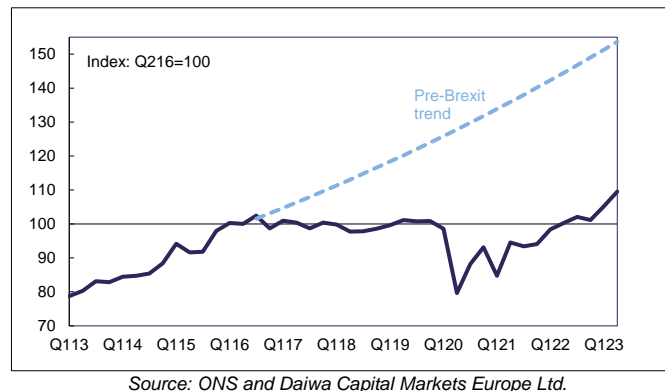
The week ahead in the UK

In another relatively quiet week ahead for UK economic data, the highlight will arguably be the latest results of the BoE's Decision Maker Panel (DMP) survey, with particular focus on firms' price and wage expectations in September. In August,

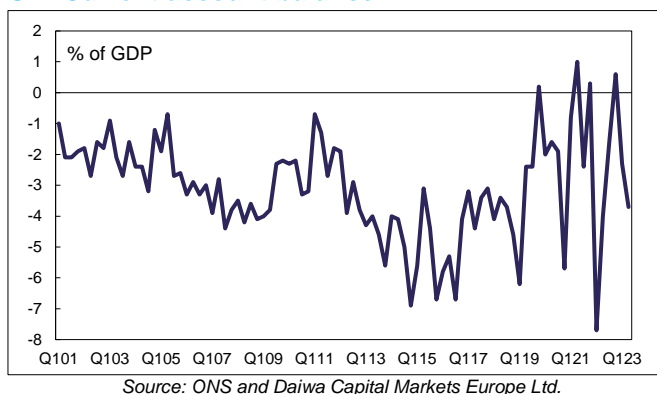
UK: Household savings ratio & disposable income



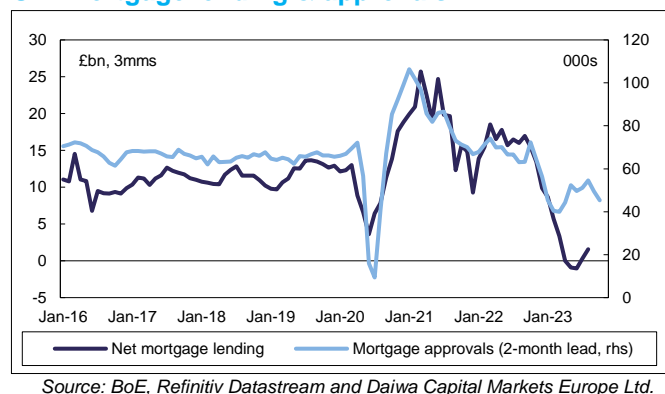
UK: Business investment



UK: Current account balance

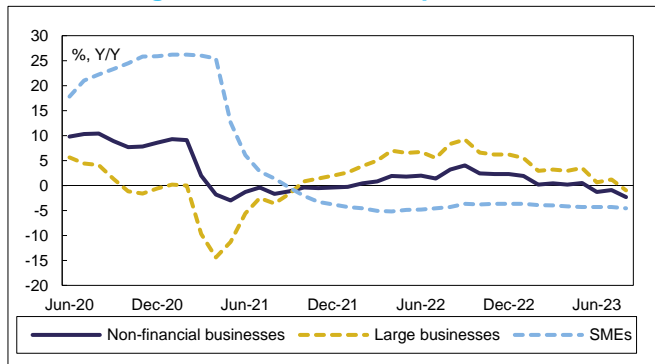


UK: Mortgage lending & approvals



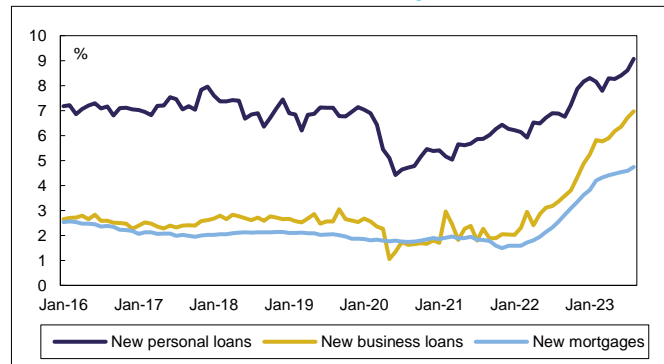
one-year ahead CPI inflation expectations decreased 0.6ppt to 4.8%, while expected year-ahead wage growth moved sideways at 5.0%, with the three-month rate moderating 0.1ppt to 5.1%. Ahead of this release, we will get further insight into price developments with the publication of the BRC shop price index on Tuesday, which, against the backdrop of subdued demand, is expected to add to growing evidence of cooling inflation on the High Street. Meanwhile, the final PMIs – the manufacturing results on Monday and services on Wednesday – are likely to report mixed findings, with the preliminary release suggesting a slight increase in factory output prices but a moderation in the rise in services prices charged. In terms of activity, the flash PMIs suggested a further deterioration in economic momentum at the end of Q3, reflecting a notable step down in services. Indeed, the composite output index fell more than expected in September, by 1.8pts to 46.8, the lowest since the start of 2021 and the global financial crisis when excluding lockdown periods. This left the quarterly index down more than 5pts at 48.7 in Q3, a level that before the pandemic would have been consistent with a contraction in GDP of between 0.4-0.5%Q/Q. The construction PMIs on Thursday will also likely flag further contraction in the sector amid the ongoing downturn in the housing market. Indeed, the latest Nationwide house price index (Monday) is expected to report the eleventh monthly drop out of the past thirteen in September, to leave house prices down almost 6%Y/Y.

UK: Lending to non-financial corporations












Source: BoE and Daiwa Capital Markets Europe Ltd.

UK: Interest rates on loans & deposits



Source: BoE and Daiwa Capital Markets Europe Ltd.



































Daiwa economic forecasts

| | 2023 | | | 2024 | | | 2025 | | |
|---|--------|------|------|------|------|------|------|------|------|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | 2023 | 2024 | 2025 |
| GDP | %, Y/Y | | | | | | | | |
| Euro area  | 0.1 | -0.1 | 0.0 | 0.2 | 0.2 | 0.3 | 0.4 | 0.6 | 1.5 |
| UK  | 0.2 | 0.1 | 0.1 | 0.1 | 0.0 | 0.1 | 0.4 | 0.3 | 0.7 |
| Inflation, %, Y/Y | | | | | | | | | |
| Euro area | | | | | | | | | |
| Headline HICP  | 6.2 | 5.0 | 3.1 | 2.9 | 2.5 | 2.0 | 5.5 | 2.4 | 1.9 |
| Core HICP  | 5.5 | 5.1 | 4.0 | 2.8 | 1.8 | 1.4 | 5.0 | 1.9 | 1.8 |
| UK | | | | | | | | | |
| Headline CPI  | 8.4 | 6.7 | 4.7 | 4.4 | 2.7 | 2.8 | 7.4 | 3.1 | 1.8 |
| Core CPI  | 6.9 | 6.4 | 5.7 | 5.3 | 3.4 | 2.8 | 6.3 | 3.4 | 1.7 |
| Monetary policy, % | | | | | | | | | |
| ECB | | | | | | | | | |
| Refi Rate  | 4.00 | 4.50 | 4.50 | 4.50 | 4.50 | 4.25 | 4.50 | 4.00 | 3.00 |
| Deposit Rate  | 3.50 | 4.00 | 4.00 | 4.00 | 4.00 | 3.75 | 4.00 | 3.50 | 2.50 |
| BoE | | | | | | | | | |
| Bank Rate  | 5.00 | 5.25 | 5.25 | 5.25 | 5.25 | 5.00 | 5.25 | 4.50 | 2.75 |

Source: Bloomberg, ECB, BoE and Daiwa Capital Markets Europe Ltd.

The coming week's data calendar

The coming week's key data releases

| Country | BST | Release | Period | Market consensus/ <i>Daiwa</i> <i>forecast/actual</i> | Previous | |
|----------------------------------|---|---------|---|---|--------------------|---------------|
| Monday 02 October 2023 | | | | | | |
| Euro area |  | 09.00 | Final manufacturing PMI | Sep | <u>43.4</u> | 43.5 |
| |  | 10.00 | Unemployment rate % | Aug | 6.4 | 6.4 |
| Germany |  | 08.55 | Final manufacturing PMI | Sep | <u>39.8</u> | 39.1 |
| France |  | 08.50 | Final manufacturing PMI | Sep | <u>43.6</u> | 46.0 |
| |  | - | New car registrations* Y/Y% | Sep | - | 23.1 |
| Italy |  | 08.45 | Manufacturing PMI | Sep | 46.0 | 45.4 |
| |  | 17.00 | New car registrations Y/Y% | Sep | - | 12.0 |
| Spain |  | 08.00 | Unemployment change '000s | Sep | - | 24.8 |
| |  | 08.15 | Manufacturing PMI | Sep | 47.0 | 46.5 |
| |  | - | New car registrations* Y/Y% | Sep | - | 7.8 |
| UK |  | 07.00 | Nationwide house price index M/M% (Y/Y%) | Sep | -0.4 (-5.6) | -0.8 (-5.3) |
| |  | 09.30 | Final manufacturing PMI | Sep | <u>44.2</u> | 43.0 |
| Tuesday 03 October 2023 | | | | | | |
| UK |  | 00.01 | BRC shop price index Y/Y% | Sep | - | 6.9 |
| Wednesday 04 October 2023 | | | | | | |
| Euro area |  | 09.00 | Final services (composite) PMI | Sep | <u>48.4 (47.1)</u> | 47.9 (46.7) |
| |  | 10.00 | Retail sales M/M% (Y/Y%) | Aug | -0.3 (-0.5) | -0.2 (-1.0) |
| |  | 10.00 | PPI Y/Y% | Aug | -11.7 | -7.6 |
| Germany |  | 08.55 | Final services (composite) PMI | Sep | <u>49.8 (46.2)</u> | 47.3 (44.6) |
| France |  | 08.50 | Final services (composite) PMI | Sep | <u>43.9 (43.5)</u> | 46.0 (46.0) |
| Italy |  | 08.45 | Services (composite) PMI | Sep | 50.1 (49.0) | 49.8 (48.2) |
| Spain |  | 08.00 | Services (composite) PMI | Sep | 49.7 (49.6) | 49.3 (48.6) |
| UK |  | 09.30 | Final manufacturing PMI | Sep | <u>47.2 (46.8)</u> | 49.5 (48.6) |
| Thursday 05 October 2023 | | | | | | |
| Euro area |  | 08.30 | Construction PMI | Sep | - | 43.4 |
| Germany |  | 07.00 | Trade balance €bn | Aug | 14.9 | 17.7 |
| |  | 08.30 | Construction PMI | Sep | - | 41.5 |
| France |  | 07.45 | Industrial production M/M% (Y/Y%) | Aug | - | 0.8 (2.7) |
| |  | 07.45 | Manufacturing production M/M% (Y/Y%) | Aug | - | 0.7 (2.7) |
| |  | 08.30 | Construction PMI | Sep | - | 42.4 |
| Spain |  | 08.00 | Industrial production M/M% (Y/Y%) | Aug | - | 0.2 (-1.8) |
| UK |  | 09.00 | New car registrations Y/Y% | Sep | - | 24.4 |
| |  | 09.30 | Construction PMI | Sep | 50.0 | 50.8 |
| |  | 09.30 | BoE's DMP 3M (1Y) output price expectations | Sep | - | 4.9 (4.8) |
| Friday 06 October 2023 | | | | | | |
| Germany |  | 07.00 | Factory orders M/M% (Y/Y%) | Aug | 1.5 (-7.9) | -11.7 (-10.5) |
| France |  | 07.45 | Trade balance €bn | Aug | - | -8.1 |
| Italy |  | 09.00 | Retail sales M/M% (Y/Y%) | Aug | 0.0 (-) | 0.4 (2.7) |

*Approximate date of release. Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

The coming week's key events & auctions

| Country | BST | Event / Auction |
|----------------------------------|-------|--|
| Monday 02 October 2023 | | |
| Euro area | 09.00 | ECB's Centeno and Hernández de Cos scheduled to speak at conference on financial stability |
| Tuesday 03 October 2023 | | |
| Euro area | 07.10 | ECB Chief Economist Lane to give keynote speech on 'key factors of inflation and the ECB's response' |
| UK | 10.00 | Auction: £2.25bn of 1.5% 2053 green bonds |
| Wednesday 04 October 2023 | | |
| Euro area | 09.00 | ECB President Lagarde scheduled to speak at the ECB's academic conference on monetary policy |
| | 12.40 | ECB's de Guindos participates in annual conference at the Central Bank of Cyprus |
| | 15.00 | ECB's Panetta chairs a panel at the ECB's academic conference on monetary policy |
| Germany | 10.30 | Auction: €3bn of 2.4% 2030 bonds |
| UK | 10.00 | Auction: £4.25bn of 3.5% 2025 bonds |
| Thursday 05 October 2023 | | |
| Euro area/UK | 10.45 | ECB Chief Economist Lane and BoE Deputy Governor Broadbent participate in panel discussion at ECB conference |
| France | 09.50 | Auction: 3.5% 2033 bonds |
| | 09.50 | Auction: 2.5% 2043 bonds |
| | 09.50 | Auction: 3.0% 2054 bonds |
| UK | 09.30 | BoE publishes its monthly Decision Maker Panel survey results for September |
| Friday 06 October 2023 | | |
| - Nothing to report - | | |

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

Today's results

| Economic data | | | | | | |
|-----------------------|---|--------|--------------------|--|-------------|------------|
| Country | Release | Period | Actual | Market consensus/ <i>Daiwa forecast</i> | Previous | Revised |
| Euro area | HICP (core CPI) Y/Y% | Sep | 4.3 (4.5) | <u>4.3 (4.9)</u> | 5.2 (5.3) | - |
| Germany | Retail sales M/M% (Y/Y%) | Aug | -1.2 (-1.9) | 0.5 (-1.0) | -1.0 (-2.6) | 0.0 (-2.1) |
| | Unemployment change '000s (rate %) | Sep | 10.0 (5.7) | 15.0 (5.7) | 18.0 (5.7) | 20.0 (-) |
| France | Preliminary HICP (CPI) Y/Y% | Sep | 5.6 (4.9) | 6.0 (5.2) | 5.7 (4.9) | - |
| | Consumer spending M/M% (Y/Y%) | Aug | -0.5 (-1.9) | -0.3 (-1.7) | 0.3 (-1.1) | 0.4 (-) |
| | PPI Y/Y% | Aug | -1.4 | - | 0.9 | - |
| Italy | Preliminary HICP (CPI) Y/Y% | Sep | 5.7 (5.3) | 5.3 (5.4) | 5.5 (5.4) | - |
| UK | Lloyds business barometer | Sep | 36 | - | 41 | - |
| | Final GDP Q/Q% (Y/Y%) | Q2 | 0.2 (0.6) | <u>0.2 (0.4)</u> | 0.1 (0.2) | 0.3 (0.5) |
| | Current account balance £bn | Q2 | -25.3 | -14.3 | -10.8 | -15.2 |
| | Net consumer credit £bn (Y/Y%) | Aug | 1.6 (7.6) | 1.3 (-) | 1.2 (7.3) | 1.3 (-) |
| | Net mortgage lending £bn (mortgage approvals '000s) | Aug | 1.2 (45.4) | 0.2 (48.0) | 0.2 (49.4) | - (49.5) |
| | M4 money supply Y/Y% | Aug | -0.8 | - | -0.9 | -1.0 |
| Auctions | | | | | | |
| Country | Auction | | | | | |
| - Nothing to report - | | | | | | |

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

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<https://www.uk.daiwacm.com/ficc-research/recent-blogs>

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